

ASSEMBLY BILL

No. 547

Introduced by Assembly Member Mendoza

February 25, 2009

An act to amend Sections 15053 and 15061 of the Food and Agricultural Code, relating to commercial feed, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

AB 547, as introduced, Mendoza. Commercial feed: license fee: inspection tonnage tax.

(1) Existing law requires that a license be obtained from the Secretary of Food and Agriculture for each location where commercial feed is manufactured, distributed, sold, or stored for later sale. Existing law requires each license application to be accompanied by an annual fee specified by the Department of Food and Agriculture for each location of at least \$100, but not exceeding \$600, with the specific fee to be set by the secretary upon recommendation of the Feed Inspection Advisory Board. Beginning January 1, 2010, the license fee is required to be \$100 for each location. The funds collected are deposited into the continuously appropriated Food and Agriculture Fund.

This bill would instead require the license fee to be \$100 for each location beginning January 1, 2015.

By extending the time during which a higher license fee may be applied, this bill would increase the fees that are deposited into a continuously appropriated fund thereby making an appropriation.

(2) Existing law establishes an inspection tonnage tax for commercial feed, as specified, with a maximum rate of \$0.15 per ton. The funds

collected are deposited into the continuously appropriated Food and Agriculture Fund.

Existing law, until January 1, 2010, authorizes the Secretary of Food and Agriculture to designate a specified amount of the tonnage taxes collected to provide funding for research and education regarding the safe manufacture, distribution, and use of commercial feed.

This bill would extend to January 1, 2015, that authority of the secretary to designate a specified amount of the tonnage taxes collected for those purposes.

By extending the purposes for which funds in a continuously appropriated fund may be spent, this bill would make an appropriation.

Vote: majority. Appropriation: yes. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 15053 of the Food and Agricultural Code
2 is amended to read:

3 15053. (a) Each application for a license shall be accompanied
4 by an annual fee specified by the department for each location.
5 Beginning on January 1, 2007, the minimum license fee shall be
6 one hundred dollars (\$100) for each location and the maximum
7 license fee for each location shall not exceed six hundred dollars
8 (\$600) for each location with the specific fee to be set by the
9 secretary upon recommendation of the Feed Inspection Advisory
10 Board. Those licensees with feed licenses on the effective date of
11 the bill who have previously paid their license fees for the then
12 current fiscal year shall not be subject to any new fees until their
13 licenses are renewed. Beginning January 1, ~~2010~~ 2015, the license
14 fee shall be one hundred dollars (\$100) for each location. Those
15 licensees with feed licenses on that date who have previously paid
16 their license fees for the then current fiscal year shall not be subject
17 to any new license fees until their licenses are renewed.

18 (b) Revenues generated from license fees shall be used to
19 replenish feed inspection program reserves to a minimum of 25
20 percent of program expenditures, after which point some of the
21 revenues from these fees shall be used to reduce feed tonnage taxes
22 provided for in this chapter upon recommendation of the Feed
23 Inspection Advisory Board.

1 SEC. 2. Section 15061 of the Food and Agricultural Code, as
2 amended by Section 1 of Chapter 929 of the Statutes of 2004, is
3 amended to read:

4 15061. (a) An inspection tonnage tax at the maximum rate of
5 fifteen cents (\$0.15) per ton of commercial feed sold, except whole
6 grains, and whole hays when unmixed, shall be paid to the secretary
7 by any person who distributes commercial feed to a
8 consumer-buyer in this state. The distributor shall also pay an
9 inspection tonnage tax for purchased commercial feed fed to his
10 or her own animals.

11 (b) The secretary may, based upon a finding and
12 recommendation of the Feed Inspection Advisory Board, determine
13 the specific rate necessary to provide the revenue needed to carry
14 out the provisions of this chapter. The secretary and the Feed
15 Inspection Advisory Board shall not exceed the maximum tonnage
16 rate established by this section. Setting the tonnage tax rate shall
17 not be subject to Chapter 3.5 (commencing with Section 11340)
18 of Part 1 of Division 3 of Title 2 of the Government Code.

19 (c) The secretary may, based upon a finding and
20 recommendation of the Feed Inspection Advisory Board, designate
21 15 percent of the tonnage taxes collected, or two hundred thousand
22 dollars (\$200,000), whichever amount is greater, to provide funding
23 for research and education regarding the safe manufacture,
24 distribution, and use of commercial feed. These funds may only
25 be spent on activities approved by the Feed and Inspection
26 Advisory Board, with approval being made prior to any
27 expenditure.

28 (d) This section shall remain in effect only until January 1, ~~2010~~
29 ~~2015~~, and as of that date is repealed, unless a later enacted statute,
30 that is enacted before January 1, ~~2010~~ 2015, deletes or extends
31 that date.

32 SEC. 3. Section 15061 of the Food and Agricultural Code, as
33 added by Section 2 of Chapter 929 of the Statutes of 2004, is
34 amended to read:

35 15061. (a) An inspection tonnage tax at the maximum rate of
36 fifteen cents (\$0.15) per ton of commercial feed sold, except whole
37 grains, and whole hays when unmixed, shall be paid to the secretary
38 by any person who distributes commercial feed to a
39 consumer-buyer in this state. The distributor shall also pay an

1 inspection tonnage tax for purchased commercial feed fed to his
2 or her own animals.

3 (b) The secretary may, based upon a finding and
4 recommendation of the Feed Inspection Advisory Board, determine
5 the specific rate necessary to provide the revenue needed to carry
6 out the provisions of this chapter. The secretary and the Feed
7 Inspection Advisory Board shall not exceed the maximum tonnage
8 rate established by this section. Setting the tonnage tax rate shall
9 not be subject to Chapter 3.5 (commencing with Section 11340)
10 of Part 1 of Division 3 of Title 2 of the Government Code.

11 (c) This section shall become operative on January 1, ~~2010~~
12 *2015*.

O